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USDOC FOR 532/OEA/MNICKSON-DORSEY /LLAUCIUS
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM ZARIT
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS
SINGAPORE FOR FCS

SIPDIS

E.O. 12958: N/A
TAGS: [BMGT](#) [BEXP](#) [ETRD](#) [ETTC](#) [HK](#)
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION:
TECNOMIC PROCESSORS PTE LTD
REF: A) USDOC 01397 B) USDOC 02727 C) HK 03094 (2007) D) USDOC

05482 (2005)

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Regional Export Control Officer Philip Ankel (ECO) conducted a post shipment-verification (PSV) at Tecnomnic Processors Pte. Ltd., 138 Cecil Street, No. 10-01 Cecil Court, Singapore (Tecnomnic). The items in question are six field programmable gate arrays exported to Tecnomnic on or about September 7, 2007. The items are classified under Export Control Classification Number (ECCN) 3A001A.2.C and are controlled for national security (NS) reasons. The exporter was Actel Corporation of Mountain View, California.

13. According to the Singapore companies registry, Tecnomnic was registered in 1988 and its registered share capital is the Singapore dollar equivalent of approximately USD 650,000. Its directors are Indian National Mr. Suresh Kumar Saradadevi Krishna Pillai, Singapore Permanent Resident Mr. Rajan Natrajan and Singapore Permanent Resident Mr. Ravi Krishnamoorthy. The sole shareholder is Metchem Engineering S.A. of Zurich, Switzerland.

14. A review of the company's web site (www.tecnomic.com) reveals that the company markets itself as a value-added distributor for electronic components, telecom building blocks and IT & infrastructure related products in the Indian sub-continent, South East Asia and South Korea. The company shares a telephone number in Singapore with Dexcel Electronics Designs Pte. Ltd, its affiliate located at a different address (www.dexceldesigns.com).

15. On April 23, 2008, the ECO, accompanied by a representative of Singapore Customs visited the company and met with Mr. Suresh Kumar, Director of Business Development, Mr. Rajan Natrajan, Director and Ms. Lee, Meng Huey, Head of Logistics. Mr. Kumar provided an overview of the Tecnomnic's activities, which are broken into three primary areas, namely electronic components distribution, telecom platform sales and system integration. The business is evenly divided between these three business lines. The company has staff in several ASEAN countries and a total headcount of approximately

170. It is a distributor of Intel and Avergo and others. Typically new customers come to the company through various promotion activities although the company does receive some Internet generated orders.

16. The company is collocated with another company called Fuyo Capital. According to Mr. Natrajan, Fuyo Capital and Tecnomnic share common owners but are engaged in unrelated businesses.

¶7. As to the particular items in question, Mr. Natrajan stated that those items had been shipped to Free Components Co. Ltd., Rm 1702, Grand City Plaza, Nos. 1 Sai Lau Kok Road, Tsuen Wan, Hong Kong. The Bill To address on the invoice provided by Mr. Natrajan included an additional address for Free Components, namely Unit 2401A, 24/F, Park-In Commercial Center, 56 Dundas Street, Mongkok, Hong Kong. The Ship To address on the original Purchase Order provided by Mr. Natrajan stated that the items should be shipped to Xing Hang Yuan Limited, at the 1702 Grand City Plaza address noted above. Free Components is the subject of a pending PSV referenced in Reftel B. Free Components is also linked to two additional unfavorable PSVs referenced in Reftels C and D as well as a pending administrative enforcement action relating to unauthorized reexports from Taiwan to Xing Hang Yuan. Ms. Lee provided a FedEx airway bill showing shipment to Free Components on September 13, 2007.

¶8. As the conversation turned to a more in-depth discussion of the shipment in question, Messrs. Natrajan and Kumar asked, on several occasions, whether the reexport to Hong Kong was a problem. They referred to the applicable ECCN entries in the EAR they had printed from the BIS web site and noted that the items could ship NLR to Hong Kong. They appeared well versed in the requirements of the EAR (although the ECO cannot say whether they were familiar with the EAR prior to ECO's request for a meeting or became familiar thereafter).

¶9. The company stated that it had done business with Free Components two to three times per year in the past. They understood that this company was a consolidator for other customers. In a previous instance, Tecnomics representatives understood that the customer was located in India. As a result, they assumed that future shipments were also destined for India. Therefore, in the Purchase Order to Actel, they stated that the country of destination for the parts was India. When the ECO pointed out that the contact phone

numbers for Free Components and Xing Hang Yan Limited were mainland China numbers, Tecnomics representatives had no specific response beyond the fact that the items had been shipped to Hong Kong. Note that these items (if properly classified by the exporter) may generally be exported and reexported to Singapore, India and Hong Kong license free but likely require a license to mainland China. By separate e-mail, the company forwarded three additional orders for the identical items it had filled for Free Components and Xing Hang Yuan for a total of 32 items. ECO will forward these documents by separate e-mail to OEA.

¶10. At the time visited, Tecnomics did not appear to be a suitable recipient of the commodities shipped since those items had most likely been diverted from Singapore to end-users in Mainland China in probable violation of the EAR. Tecnomics's actions in relation to the applicable items illustrate either a lack of understanding of U.S. export controls or the intent to circumvent U.S. export controls (or some combination of the two). ECO recommends a thorough review of all shipments to Tecnomics and Free Components (and its addresses note above) to determine whether additional shipments are worthy of scrutiny. Additionally, ECO recommends that the BIS Office of Export Enforcement conduct an outreach to the U.S. exporter to determine what information the exporter had in hand when it completed the underlying export to Tecnomics (and to determine whether it has made shipments directly to Free Components or Xing Hang Yuan Limited or received inquiries from those companies).